A subsidiary of SaskPower

NorthPoint Energy Solutions Inc.

Financial statements 2011

NorthPoint

Report of Management

The financial statements of NorthPoint Energy Solutions Inc. (NorthPoint) are the responsibility of management and have been prepared in accordance with International Financial Reporting Standards. The preparation of financial statements necessarily involves the use of estimates based on management's best judgment, particularly when transactions affecting the current period cannot be finalized with certainty until future periods. In management's opinion, the financial statements have been properly prepared within the framework of selected accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, information available up to March 20, 2012.

Management maintains appropriate systems of internal control which provide reasonable assurance that NorthPoint's assets are safeguarded and appropriately accounted for, that financial records are relevant, reliable, and accurate, and that transactions are executed in accordance with management's authorization. This system includes corporate-wide policies and procedures, as well as the appropriate delegation of authority and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these controls on an ongoing basis and reports its findings to management and the Audit and Finance Committee of the Saskatchewan Power Corporation Board of Directors.

The Saskatchewan Power Corporation Board of Directors, through the Audit and Finance Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit and Finance Committee consists entirely of outside Directors. At regular meetings, the Committee reviews audit, internal control and financial reporting matters with management, the internal auditors and the external auditors to satisfy itself that each is properly discharging its responsibilities. The financial statements and the Independent Auditor's Report have been reviewed by the Audit and Finance Committee and have been approved by the Saskatchewan Power Corporation Board of Directors. The internal and external auditors have full and open access to the Audit and Finance Committee, with and without the presence of management.

The financial statements have been examined by Deloitte & Touche LLP, Chartered Accountants, as appointed by the Lieutenant Governor in Council and approved by the Crown Investments Corporation of Saskatchewan. The external auditor's responsibility is to express its opinion on whether the financial statements are fairly presented in accordance with International Financial Reporting Standards.

On behalf of management,

Guy Bruce
President and Chief Executive Officer
March 20, 2012

Troy King
Chief Financial Officer

Independent Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan:

We have audited the accompanying financial statements of NorthPoint Energy Solutions Inc., which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, and the statements of income (loss), statements of comprehensive income (loss), statements of changes in equity, and statements of cash flows for the years ended December 31, 2011 and December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NorthPoint Energy Solutions Inc. as at December 31, 2011, December 31, 2010 and January 1, 2010, and its financial performance and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

Deloitte & Touche LLP

Chartered Accountants
March 20, 2012
Regina, Saskatchewan

Statement of income (loss)

(in thousands)

For the year ended December 31	2011	2010
Revenue		
Net sales from electricity trading	**$ 13,602**	$ 3,430
SaskPower services	**7,814**	6,808
Other revenue	**256**	126
	21,672	10,364
Expense		
Administration	**7,933**	9,106
	7,933	9,106
Income before the following	**13,739**	1,258
Unrealized market value adjustments	**7,236**	(2,749)
Net income (loss)	**$ 20,975**	$ (1,491)

See accompanying notes

Statement of comprehensive income (loss)

(in thousands)

For the year ended December 31	2011	2010
Net income (loss)	**$ 20,975**	$ (1,491)
Other comprehensive income (loss)	**–**	–
Total comprehensive income (loss)	**$ 20,975**	$ (1,491)

See accompanying notes

Statement of financial position

(in thousands)

As at	December 31 2011	December 31 2010	January 1 2010
Assets			
Current assets			
Cash and cash equivalents	**$ 32,538**	$ 20,933	$ 23,497
Accounts receivable	**6,637**	5,135	3,879
Prepaid expenses and deposits	**1,060**	966	948
Due from SaskPower	**–**	–	916
Risk management assets *(Note 4)*	**5,891**	594	–
Total assets	**$ 46,126**	$ 27,628	$ 29,240
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities	**$ 5,332**	$ 6,591	$ 7,279
Due to SaskPower	**1,301**	580	–
Dividends payable	**18,877**	–	3,356
Risk management liabilities *(Note 4)*	**1,404**	3,343	–
Total liabilities	**26,914**	10,514	10,635
Equity			
Share capital	**10,000**	10,000	10,000
Retained earnings	**9,212**	7,114	8,605
Total equity	**19,212**	17,114	18,605
Total liabilities and equity	**$ 46,126**	$ 27,628	$ 29,240

See accompanying notes

On behalf of the Saskatchewan Power Corporation Board

Joel Teal
Chair

Mick MacBean
Director

Statement of changes in equity

(in thousands)	# of Class A shares	Share capital	Retained earnings	Total
Equity				
Balance, January 1, 2010	10,000	$ 10,000	$ 8,605	**$ 18,605**
Comprehensive income (loss)	–	–	(1,491)	**(1,491)**
Dividends	–	–	–	**–**
Balance, December 31, 2010	**10,000**	**$ 10,000**	**$ 7,114**	**$ 17,114**
Comprehensive income (loss)	–	–	20,975	**20,975**
Dividends	–	–	(18,877)	**(18,877)**
Balance, December 31, 2011	**10,000**	**$ 10,000**	**$ 9,212**	**$ 19,212**

1. Unlimited Class A non-cumulative, voting common shares authorized. All shares are held by the parent corporation, Saskatchewan Power Corporation.

See accompanying notes

Statement of cash flows

(in thousands)

For the year ended December 31	2011	2010
Operating activities		
Net income (loss)	**$ 20,975**	$ (1,491)
Add (deduct) items not involving cash:		
Unrealized market value adjustments	**(7,236)**	2,749
	13,739	1,258
Net change in non-cash working capital:		
Accounts receivable	**(1,502)**	(1,256)
Prepaid expenses and deposits	**(94)**	(18)
Due from/to SaskPower	**721**	1,496
Accounts payable and accrued liabilities	**(1,259)**	(688)
	(2,134)	(466)
Cash provided by operating activities	**11,605**	792
Financing activities		
Dividends paid	**–**	(3,356)
Cash used in financing activities	**–**	(3,356)
Increase (decrease) in cash	**11,605**	(2,564)
Cash and cash equivalents, beginning of year	**20,933**	23,497
Cash and cash equivalents, end of year	**$ 32,538**	$ 20,933

See accompanying notes

Notes to the financial statements

As at December 31, 2011

1. Status of the Corporation

NorthPoint Energy Solutions Inc. (NorthPoint; the Corporation) was incorporated pursuant to *The Business Corporations Act (Saskatchewan)* effective October 17, 2001, and began operations November 1, 2001. NorthPoint is a marketer of wholesale electricity products and services. The office is located on the 18th Floor, 1920 Broad Street in Regina, Saskatchewan, Canada, S4P 3V2. NorthPoint is a wholly-owned subsidiary of Saskatchewan Power Corporation (SaskPower) which is a subsidiary of Crown Investments Corporation (CIC) of Saskatchewan. Accordingly, the financial results of NorthPoint are included in the consolidated financial statements of SaskPower and CIC.

NorthPoint has a service agreement with SaskPower authorizing NorthPoint to perform electricity trading functions related to the generation assets of SaskPower, to coordinate utility generation output, and to manage SaskPower's natural gas supplies for its natural gas-fired power plants. SaskPower services revenue provides approximately 13% (2010 – 14%) of NorthPoint's total revenue.

As a subsidiary of a provincial Crown corporation, NorthPoint is not subject to federal or provincial income taxes.

2. Basis of preparation

(a) Statement of compliance

The Corporation's financial statements were previously prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). As these financial statements represent NorthPoint's initial presentation of its financial position, income and cash flows under IFRS, they were prepared in accordance with IFRS 1, *First-time Adoption of IFRS*.

The transition to IFRS has had no impact on the reported financial position, income and cash flows of NorthPoint. Presentation and disclosure changes have been made to ensure these financial statements are in compliance with IFRS requirements.

The financial statements were authorized for issue by the SaskPower Board of Directors on March 20, 2012.

(b) Application of IFRS 1

NorthPoint adopted IFRS on January 1, 2011, and applied IFRS 1 in preparing these financial statements. IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Corporation has applied IFRS was January 1, 2010 (Transition Date). The reporting date for these financial statements is December 31, 2011.

In preparing these financial statements in accordance with IFRS 1, the Corporation has applied the following relevant mandatory exception from full retrospective application of IFRS.

i) Significant estimates

An entity's estimates under IFRS at the Transition Date shall be consistent with estimates made at the same date under previous GAAP (after adjustments to reflect difference in accounting policies) unless there is objective evidence that those estimates were in error. All NorthPoint's estimates reflect conditions in effect at transition.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments that are accounted for according to the financial instrument categories defined in *Note 3(d)*.

(d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management estimates are further described in the following summary of significant accounting policies and related notes:

- Fair value of financial instruments *[Notes: 3(d) and 4]*.

(f) New standards and interpretations not yet adopted

A number of new standards, and amendments to standards and interpretations, which may impact NorthPoint are not yet effective for the period ended December 31, 2011, and have not been applied in preparing these financial statements. In particular, the following new and amended standards which become effective for annual periods beginning on or after January 1, 2013:

- IAS 32, *Financial Instruments: Presentation*
- IFRS 7, *Financial Instruments: Disclosures*
- IFRS 9, *Financial Instruments*
- IFRS 13, *Fair Value Measurement*

NorthPoint does not have any plans to early adopt any of the new or amended standards. The extent of the impact on adoption of these standards is not known at this time, however is not expected to be material.

3. Significant accounting policies

(a) Revenue recognition

NorthPoint engages in wholesale electricity trading transactions which do not relate to the generation assets of SaskPower. This includes both physical and financial electricity trading transactions. Electricity trading revenue is recorded on a net basis upon delivery of electricity to the customers and receipt of electricity purchased from external parties. Electricity trading contracts are recorded at fair value.

NorthPoint acts as an agent of SaskPower and is responsible for the performance of electricity trading functions related to the generation assets of SaskPower. This includes both contributions from the export of SaskPower's excess generation and savings from the import of electricity that is priced below SaskPower's marginal cost of generation. NorthPoint receives a commission for the performance of this service. Commission revenue is recognized as the electricity trades are conducted and is included in SaskPower services revenue.

NorthPoint provides generation and load management services for SaskPower by coordinating the utility generation output. NorthPoint receives a management fee from SaskPower for the performance of this service. This revenue is recognized as it is earned and is included in SaskPower services revenue.

NorthPoint provides gas management services for SaskPower by coordinating and balancing SaskPower's natural gas requirements, managing injections to and withdrawals from SaskPower's natural gas storage assets, and managing natural gas price risk with physical and financial hedging activity. NorthPoint receives a fee from SaskPower for the performance of this service. Gas management revenue is recognized as it is earned and is included in SaskPower services revenue.

(b) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars using the rate of exchange in effect at the reporting date. Revenues and expenses are translated at the rate prevailing at the transaction date.

(c) Cash and cash equivalents

Cash and cash equivalents include short-term investments made by SaskPower on NorthPoint's behalf that have a maturity date of 90 days or less from the date of acquisition. These investments are carried at fair value.

(d) Financial instruments

i) Classification and measurement

NorthPoint classifies its financial instruments into one of the following categories: financial instruments at fair value through profit or loss; held-to-maturity; loans and receivables; and other liabilities *(Note 4)*. All financial instruments are measured at fair value on initial recognition and recorded on the statement of financial position. Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as fair value through profit or loss, in which case they are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial instruments classified as fair value through profit or loss are subsequently measured at fair value, with changes in fair value recognized in the statement of income in unrealized market value adjustments. Financial instruments classified as held-to-maturity; loans and receivables and other liabilities are subsequently measured at amortized cost using the effective interest method, less any impairment.

Derivative financial instruments are utilized by NorthPoint as part of its electricity trading activities. All derivative contracts are recognized as a financial asset or a financial liability on the trade date. NorthPoint has chosen not to designate its derivative instruments as hedges. As such, all derivative financial instruments are classified as fair value through profit or loss and recorded at fair value on the statement of financial position as risk management assets and liabilities with subsequent changes in fair value recognized in the statement of income in unrealized market value adjustments.

ii) Embedded derivatives

As at December 31, 2011, NorthPoint does not have any outstanding contracts or financial instruments with embedded derivatives that are required to be valued separately.

iii) Fair value

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. NorthPoint's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments.

The Corporation has classified the fair value of its financial instruments as level 1, 2, or 3 *(Note 4)* as defined below:

Level 1 – Fair values are determined using inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities to which the Corporation has immediate access. The fair values for cash and cash equivalents were based on carrying value as an approximation of market value due to the short time frame to maturity.

Level 2 – Fair values are determined using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Electricity trading contract fair values were determined using independent pricing information from external market providers.

Level 3 – Fair values were determined based on inputs for the asset or liability that are not based on observable market data.

(e) Employee benefits

NorthPoint has a defined contribution pension plan and other benefit plans that provide retirement benefits for its employees. Under the defined contribution pension plan, NorthPoint pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized in administration expense in the period during which services are rendered by employees.

The Corporation provides a supplementary superannuation plan for certain management employees who elect to forego their entitlement to banked days off. NorthPoint's current period expense is limited to yearly notional contributions to the plan based upon the employee's salary and an amount allocated for interest on the employee's plan balance *(Note 9)*.

4. Financial instruments

The following summarizes the classification, carrying amounts and fair values of NorthPoint's financial instruments:

(in thousands)			December 31, 2011 Asset (liability)		December 31, 2010 Asset (liability)		January 1, 2010 Asset (liability)	
Financial instruments	**Classification[1]**	**Level[5]**	**Carrying amount**	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets								
Cash and cash equivalents	FVTPL[1]	1	**$ 32,538**	**$ 32,538**	$ 20,933	$ 20,933	$ 23,497	$ 23,497
Accounts receivable	L&R[2]	N/A	**6,637**	**6,637**	5,135	5,135	3,879	3,879
Due from SaskPower	L&R[2]	N/A	**–**	**–**	–	–	916	916
Financial liabilities								
Accounts payable and accrued liabilities	OL[3]	N/A	**$ (5,332)**	**$ (5,332)**	$ (6,591)	$ (6,591)	$ (7,279)	$ (7,279)
Due to SaskPower	OL[3]	N/A	**(1,301)**	**(1,301)**	(580)	(580)	–	–
Dividends payable	OL[3]	N/A	**(18,877)**	**(18,877)**	–	–	(3,356)	(3,356)

Risk management assets and liabilities

The following summarizes the classification and fair values of NorthPoint's risk management activities:

(in thousands)	**Classification[1]**	**Level[5]**	**December 31, 2011**		December 31, 2010		January 1, 2010	
			Asset	**Liability**	Asset	Liability	Asset	Liability
Electricity trading contracts								
Contracts for differences	FVTPL[1]	2	**$ 5,891**	**$ (1,404)**	$ 594	$ (3,343)	$ –	$ –
Forward agreements	FVTPL[1]	2	**–**	**–**	–	–	–	–
			$ 5,891	**$ (1,404)**	$ 594	$ (3,343)	$ –	$ –

1. FVTPL – Fair value through profit or loss.
2. L&R – Loans and receivables.
3. OL – Other liabilities.
4. The Corporation has not classified any of its financial instruments as held-to-maturity.
5. Fair values are determined using a fair value hierarchy as follows:

   Level 1 – Quoted prices in active markets for identical assets or liabilities.

   Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability.

   Level 3 – Inputs for the asset or liability that are not based on observable market data.

   Not applicable (N/A) – Financial instruments – including accounts receivable; due to (from) SaskPower; accounts payable and accrued liabilities; and dividends payable – are carried at values which approximate fair value due to the short period to maturity.

5. Financial risk management

Market risk

Electricity trading contracts

NorthPoint is exposed to electricity price risk on its electricity trading activities. NorthPoint has a Risk Management Manual which governs the commodity transactions undertaken in its proprietary trading business. Electricity trading risks are managed through limits on the size and duration of transactions and open positions, including Value at Risk (VaR) limits. VaR is a commonly used metric employed to track and manage the market risk associated with trading positions. A VaR measure gives, for a specific confidence level, an estimated potential loss that could be incurred over a specified period of time. VaR is used to determine the potential change in value of NorthPoint's proprietary portfolio, over a 10-day period within a 95% confidence level, resulting from normal market fluctuations. VaR is estimated using the historical variance/covariance approach.

VaR has certain inherent limitations. The use of historical information in the estimate assumes that price movements in the past will be indicative of future market risk. As such, it may be only meaningful under normal market conditions. Extreme market events are not addressed by this risk measure. In addition, the use of a 10-day measurement period implies that positions can be unwound or hedged within that period; however, this may not be possible if the market becomes illiquid. NorthPoint recognizes the limitations of VaR and actively uses other controls, including restrictions on authorized instruments, volumetric and term limits, stress-testing of individual portfolios and of the total proprietary trading portfolio, and management review.

At December 31, 2011, the VaR associated with NorthPoint's proprietary trading activities was $736 thousand (2010 – $1,975 thousand).

Foreign exchange

By virtue of its operations, NorthPoint is exposed to changes in the United States/Canadian dollar exchange rate. NorthPoint purchases electricity from and sells electricity to the United States market and must recognize translation gains and losses based on the exchange rate in effect at the transaction date. NorthPoint's sensitivity to changes in the United States dollar is immaterial and, therefore, a sensitivity analysis of the impact on profit or loss has not been provided.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk relate to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

NorthPoint maintains strict credit policies and limits in respect to counterparties, including regional transmission operators. The maximum credit risk to which NorthPoint is exposed is limited to the fair value of the financial assets recognized as follows:

(in thousands)	**December 31 2011**	December 31 2010	January 1 2010
Financial assets			
Cash and cash equivalents	**$ 32,538**	$ 20,933	$ 23,497
Accounts receivable	**6,637**	5,135	3,879
Risk management assets	**5,891**	594	–
	$ 45,066	$ 26,662	$ 27,376

(a) For the year ended December 31, 2011, sales to three significant customers comprised 99% (2010 – three significant customers comprised 77%) of electricity trading revenue. At year-end, receivables from three customers comprised 97% (2010 – three customers comprised 95%) of total outstanding receivables. These amounts have been subsequently received.

(b) NorthPoint is also exposed to credit risk arising from derivative financial instruments if a counterparty fails to meet its obligations. NorthPoint maintains Board-approved credit policies and limits in respect to its counterparties.

Liquidity risk

Liquidity risk is the risk that NorthPoint is unable to meet its financial commitments as they become due or can do so only at excessive cost. NorthPoint manages cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of NorthPoint's financial liabilities at December 31, 2011:

			Contractual cash flows				
(in thousands)	Carrying amount	Contractual cash flows	0-6 months	7-12 months	1-2 years	3-5 years	More than 5 years
Financial liabilities							
Accounts payable and accrued liabilities	$ 5,332	$ 5,332	$ 5,332	$ –	$ –	$ –	$ –
Due to SaskPower	1,301	1,301	1,301	–	–	–	–
Dividends payable	18,877	18,877	18,877	–	–	–	–
Risk management liabilities	1,404	1,404	1,404	–	–	–	–
	$ 26,914	**$ 26,914**	**$ 26,914**	**$ –**	**$ –**	**$ –**	**$ –**

Management believes its ability to generate and acquire funds will be adequate to support these financial liabilities.

6. Capital management

NorthPoint's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies for the Corporation. NorthPoint receives its long-term capital funding primarily from SaskPower.

NorthPoint's capital structure as at December 31, 2011, consists of share capital – $10 million (2010 – $10 million) and retained earnings – $9.2 million (2010 – $7.1 million).

7. Commitments and contingencies

NorthPoint has issued letters of credit in the amount of $860 thousand (2010 – $946 thousand) to certain counterparties under contractual arrangements. If NorthPoint does not pay amounts due under such contracts, the counterparty may present its claim for payment to the financial institution through which the letter of credit was issued. Any amounts owed by NorthPoint are reflected in the statement of financial position. The letters of credit do not contain recourse provisions nor does NorthPoint hold any assets as collateral against the guarantees issued. All letters of credit expire within one year and are expected to be renewed, as needed, through the normal course of business. During 2011, no amounts (2010 – nil) have been exercised by third parties under these arrangements.

8. Related party transactions

Included in these financial statements are various related party transactions, substantially all of which are with SaskPower. NorthPoint also has a variety of other transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to NorthPoint by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as related parties).

Included in prepaid expenses and deposits are certain costs related to NorthPoint's occupancy of space leased by SaskPower. The costs of $457 thousand are being amortized over a five-year period, being the term of the SaskPower lease. The carrying value at December 31, 2011, is $114 thousand. The rental charge from SaskPower is included in administration expense in the table below.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

(in thousands)	2011	2010
SaskPower services revenue	**$ 7,814**	$ 6,808
Electricity trading expense	**303**	315
Administration expense	**6,729**	6,805
Due to SaskPower	**1,301**	580
Dividends payable	**18,877**	–

In addition, NorthPoint pays Saskatchewan provincial sales tax on all its taxable purchases to the Government of Saskatchewan Ministry of Finance. Taxes paid are recorded as part of the cost of those purchases.

Key management personnel compensation

Key management personnel include directors and executive officers. The compensation paid to key management for employee services is shown below:

(in thousands)	2011	2010
Salaries and short-term employee benefits	**$ 221**	$ 247
Post-employment benefits	**12**	12
Termination benefits	**–**	–
Other long-term benefits	**–**	–
	$ 233	$ 259

9. Employee benefits

The employee benefits expense recorded for the plans described in *Note 3(e)* is $539 thousand (2010 – $546 thousand).

NorthPoint Energy Solutions Inc.
2025 Victoria Avenue | Regina, Saskatchewan
Canada S4P 0S1
northpointenergy.com